

Message Text

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21

ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 NEA-10 IO-13 H-02 L-03 PA-01

PRS-01 SP-02 USIA-06 AID-05 EB-07 NSC-05 CIEP-01

SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 /105 W

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R 120250Z NOV 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2652

INFO AMEMBASSY PORT MORESBY

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USADB

FOR NAC AGENCIES

E. O. 11652: ADS, DECLAS 2/12/77

TAGS: EAID, EFIN

SUBJECT: ADB LOAN AND TECHNICAL ASSISTANCE GRANT FOR WATER SUPPLY
PROJECT IN PAPUA NEW GUINEA

REF: (A) MANILA 16868, (B) TRSY 76-128, (C) PORT MORESBY 1212

1. ADB BOARD OF DIRECTORS ON NUMBER 11 APPROVED \$13.5
MILLION LOAN FROM BANK'S SPECIAL FUNDS AND \$165,000
TECHNICAL ASSISTANCE (TA) GRANT TO PAPUA NEW GUINEA (PNG)
FOR WATER SUPPLY PROJECT IN MADANG, LAE, MT. HAGEN, AND
WEWAK.

2. SEVERAL DIRECTORS CRITICIZED PROJECT ON ECONOMIC/FINANCIAL
GROUNDS. DOUBT WAS EXPRESSED THAT REVENUES WOULD COVER
PROJECT COSTS, AND THERE WAS FURTHER DISCUSSION OF DUBIOUS
FINANCIAL OUTLOOK OF PNG ITSELF. PHILIPPINE DIRECTOR STATED
THAT PROJECT STRENGTHENED HIS BELIEF OF NEED FOR A SET OF
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CRITERIA WITH WHICH TO EVALUATE PROJECTS HAVING A

PRIMARILY SOCIAL JUSTIFICATION.

3. CANADIAN DIRECTOR SAID THAT PNG WAS "BORDERLINE CASE" AS SPECIAL FUND BORROWER, GIVEN COUNTRY'S RELATIVELY HIGH PER CAPITA GNP. OTHERS NOTED EXTENUATING FACTORS, I.E., SMALL SIZE OF COUNTRY, NEWLY INDEPENDENT STATUS, AND IMPACT OF EXPATRIATE INCOME ON AVERAGES. ADB PRESIDENT, ACKNOWLEDGING CANADIAN DIRECTOR'S POINT, SAID THAT FUTURE STATUS OF PNG IN THIS REGARD WOULD BE SUBJECT TO REVIEW, AND MENTIONED POSSIBILITY OF "BLENDING" SPECIAL FUND AND ORDINARY CAPITAL SOURCES IN FUTURE LOANS. SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Copy: SINGLE
Draft Date: 12 NOV 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760421-0819
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Handling Restrictions: n/a
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To: STATE
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